

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5477-06
Bill No.: HCS for SS No. 2 for SB 754
Subject: Social Services Department; Public Assistance; Pharmacy; Elderly
Type: Original
Date: May 2, 2014

Bill Summary: This proposal changes the laws regarding health care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$5,308,372 or \$6,808,372)	(\$6,370,046 or \$7,870,046)	(\$6,370,046 or \$7,870,046)
Total Estimated Net Effect on General Revenue Fund	(\$5,308,372 or \$6,808,372)	(\$6,370,046 or \$7,870,046)	(\$6,370,046 or \$7,870,046)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Healthy Families Trust	(\$4,032,214)	(\$4,838,657)	(\$4,838,657)
Missouri RX Plan	(\$10,453,657)	(\$12,544,388)	(\$12,544,388)
University	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$14,485,871)	(\$17,383,045)	(\$17,383,045)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§191.990 - Diabetes Care

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** assume this proposal is not directing the MHD to put together a new diabetes management program but rather to work together with the Department of Health and Senior Services, develop action plans, write reports with outcomes, costs, and impact estimates, and estimate what it would cost to develop new programs and budget requests. There will be no fiscal impact to MHD.

§191.1140 - Show-Me Extension for Community Health Care Outcomes (ECHO) Program

Officials from the **University of Missouri (UM or University)** state the funding for the Show-Me Extension for Community Health Care Outcomes (ECHO) Program is subject to appropriations. Presently, \$1.5 million in funding for the ECHO Program has been combined with the Telehealth Network funding in HB 3. This is the annual cost of the program that has been developed and designed by the University. There will be additional costs if the program is expanded.

Oversight notes funding is subject to appropriations and is presenting the cost as \$0 or (\$1,500,000) to the General Revenue Fund.

Officials from the **DSS-MHD** assume the proposal would not fiscally impact their agency.

§196.990 - Epinephrine (EPI) Auto-injectors

In response to similar legislation (SB 868), officials from the **Columbia/Boone County Department of Public Health and Human Services (DPHHS)** stated the DPHHS would incur unknown training costs as a result of this proposal. The proposal requires an employee, agent, or other person who provides or administers an epinephrine auto-injector to successfully complete an anaphylaxis training program prior to providing or administering an epinephrine auto-injector and at least every two years following successful completion of the initial training program. The training must be conducted by a nationally recognized organization experienced in training laypersons in emergency health treatment or other entity or person approved by the Department of Health and Senior Services. Since the training entities are not yet established in regulation, it is impossible to know the cost associated with the training.

ASSUMPTION (continued)

Oversight assumes since provisions regarding the prescription of epinephrine auto-injectors by a physician to an authorized entity and the acquiring of a stock supply of epinephrine auto-injectors by the authorized entity are permissive, the DPHHS would not be required to provide training in the use of the auto-injectors and, therefore, would not have to incur the training costs.

In response to similar legislation (SB 868), officials from **Missouri State University (MSU)** stated this proposal would have a negative fiscal impact on MSU, the extent of which cannot be determined and quantified at the present time.

In response to similar legislation (SB 868), officials from the **University of Missouri (UM)** stated the cost for a 2-pack of EpiPen is \$262.36. Each pen is a single dose. Depending on where the placement of the drug is warranted and how many auto injector pens would be required, the UM officials believe the cost, depending on the actual number of sites and training (every two years), could be significant, exceeding \$100,000 annually.

Oversight assumes since provisions regarding the prescription of epinephrine auto-injectors by a physician to an authorized entity and the acquiring of a stock supply of epinephrine auto-injectors by the authorized entity are permissive, MSU and UM would not incur the negative impact anticipated.

Officials at the **DSS-MHD** assume the proposal would not fiscally impact their agency.

In response to similar legislation (SB 868), officials from **Linn State Technical College, Northwest Missouri State University, Missouri Western State University, Kansas City Public Schools**, and the **University of Central Missouri** each assumed there would be no fiscal impact to their respective organizations from this proposal.

§208.790 - MO RX Prescription Drug Program Eligibility

Officials from the **DSS-MHD** state this section of the proposal restricts eligibility to 185% of the Federal Poverty Level (FPL). The current eligibility limits and the 185% FPL limits are as follows:

	<u>Current</u>	<u>185% FPL</u>
Single	\$21,660	\$21,590
Married	\$29,140	\$29,101

Therefore, this provision of the proposal will not result in a fiscal impact to the program.

ASSUMPTION (continued)

Oversight notes the 185% FPL income limit is slightly lower than the current eligibility limits used by the MO RX Program. Oversight assumes the differences will not result in a significant change in the number of recipients that qualify for benefits and that any savings due to a reduction in beneficiaries will be insignificant to the program.

§208.798 - Sunset Provisions for MO RX Prescription Drug Program

Officials from the **DSS-MHD** state this legislation does not have a fiscal impact since the legislation is simply extending the program until August 28, 2017

Oversight assumes extending the MO RX Prescription Drug Program, rather than letting it expire on August 28, 2014, will result in costs to the state. Oversight notes the Governor's recommendations for FY15 include funding for the program of \$23,753,091 (General Revenue \$6,370,046; Healthy Families Trust Fund \$4,838,657; Missouri RX Plan Fund \$12,544,388). These numbers are consistent with the FY14 budget.

For fiscal note purposes, Oversight will assume funding for the MO RX Plan Program will be \$23,753,091 annually for the period covered by the fiscal note.

In response to an earlier version of this proposal, officials from the **Office of Administration - Division of Budget and Planning (BAP)** stated the proposed legislation should not result in additional costs or savings to the BAP. The funding for the MO RX Program is included in the current year budget and the proposed budget for FY15.

§338.010 - Pharmacists to Administer Vaccinations

Officials from the **DSS-MHD** assume no fiscal impact as a result of the provisions of this section.

§§338.059, 338.165 and 338.220 - Pharmacy Licensure

Officials from the **DSS-MHD** assume no fiscal impact as a result of the provisions of these sections of the proposal.

ASSUMPTION (continued)

Bill as a Whole

Officials from the **Office of State Courts Administrator**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Health and Senior Services**, the **Missouri Department of Transportation**, the **Missouri Consolidated Health Care Plan**, the **Joint Commission on Administrative Rules**, the **Missouri Department of Conservation**, the **Office of Administration (OA) - General Services Division**, and the **OA - Information Technology Services Division** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation Employee Benefits Section for response on behalf of the Highway Patrol. Please see their fiscal note for the potential fiscal impact of this proposal.

Officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	(\$5,308,372)	(\$6,370,046)	(\$6,370,046)
<u>Transfer-Out - To the University of Missouri</u>			
Transfer of appropriations for the ECHO program	<u>\$0 or</u> (\$1,500,000)	<u>\$0 or</u> (\$1,500,000)	<u>\$0 or</u> (\$1,500,000)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$5,308,372 or</u> <u>\$6,808,372)</u>	<u>(\$6,370,046 or</u> <u>\$7,870,046)</u>	<u>(\$6,370,046 or</u> <u>\$7,870,046)</u>
HEALTHY FAMILIES TRUST FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$4,032,214)</u>	<u>(\$4,838,657)</u>	<u>(\$4,838,657)</u>
ESTIMATED NET EFFECT ON THE HEALTHY FAMILIES TRUST FUND	<u>(\$4,032,214)</u>	<u>(\$4,838,657)</u>	<u>(\$4,838,657)</u>
MISSOURI RX PLAN FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$10,453,657)</u>	<u>(\$12,544,388)</u>	<u>(\$12,544,388)</u>
ESTIMATED NET EFFECT ON THE MISSOURI RX PLAN FUND	<u>(\$10,453,657)</u>	<u>(\$12,544,388)</u>	<u>(\$12,544,388)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
UNIVERSITY FUNDS			
<u>Transfer-In</u> - University of Missouri			
Appropriations for the ECHO Program	\$0 or \$1,500,000	\$0 or \$1,500,000	\$0 or \$1,500,000
<u>Costs</u> - University of Missouri			
ECHO Program expenditures	<u>\$0 or</u> <u>(\$1,500,000)</u>	<u>\$0 or</u> <u>(\$1,500,000)</u>	<u>\$0 or</u> <u>(\$1,500,000)</u>
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

§191.1140 - This proposal may have an impact on small business health care providers who participate in the program.

§338.010 - This proposal may have a positive fiscal impact on small business pharmacies if they are able provide immunizations.

FISCAL DESCRIPTION

§191.1140 - Subject to appropriations, the University of Missouri shall manage the “Show-Me Extension for Community Health Care Outcomes (ECHO) Program”. The program is designed to utilize current telehealth technology to disseminate knowledge of best practices for the treatment of chronic, common, and complex diseases from a multidisciplinary team of medical experts to local primary care providers who will deliver the treatment protocol to patients. This will alleviate the need of many patients to travel to see specialists and will allow patients to receive treatment more quickly. The program will utilize local community health care workers as a way to obtain better patient compliance and improved health care outcomes.

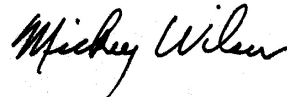
FISCAL DESCRIPTION (continued)

§208.798 - This proposal extends the expiration date of the MO RX Prescription Drug Program from 2014 to 2017.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services -
 MO HealthNet Division
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Joint Commission on Administrative Rules
Missouri Department of Conservation
Office of Administration -
 Division of Budget and Planning
 General Services Division
Office of Secretary of State
University of Missouri
Missouri State University
Columbia/Boone County Department of
 Public Health and Human Services
Linn State Technical College
Northwest Missouri State University
Missouri Western State University
Kansas City Public Schools
University of Central Missouri



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